

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Brockway Township	County St. Clair
Audit Date March 31, 2004	Opinion Date June 7, 2004	Date Accountant Report Submitted to State: June 7, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

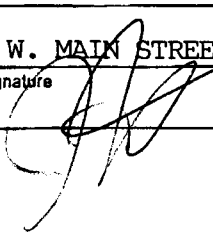
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes in the report of comments and recommendations

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JUN 14 2004

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) JOHN J. LEHOTAN, C.P.A.			
Street Address 4385 W. MAIN STREET PO BOX 450		City BROWN CITY	State MI
Accountant Signature 		ZIP 48416	Date

BROCKWAY TOWNSHIP

ST. CLAIR COUNTY, MICHIGAN

FINANCIAL REPORT

MARCH 31, 2004

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LOCAL AUDIT & FINANCE D

**BROCKWAY TOWNSHIP
FINANCIAL REPORT
FOR THE YEAR ENDED MARCH 31, 2004**

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Members of the Township Board
Brockway Township
St. Clair County, Michigan

INDEPENDENT AUDITOR'S REPORT

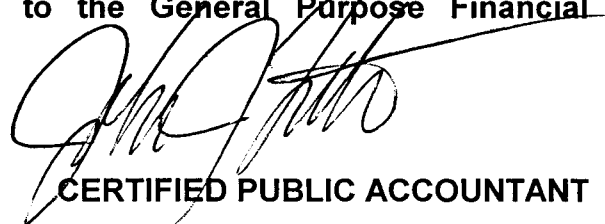
I have examined the General Purpose Financial Statements of Brockway Township as of March 31, 2004, as listed in the Table of Contents, for the year then ended. These financial statements are the responsibility of the Township's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 1, Brockway Township, prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In my opinion, except for the omission of the information mentioned in the preceding paragraph, the accompanying statements present fairly the General Purpose Financial Statements of Brockway Township at March 31, 2004, and the revenues it received and expenditures it paid for the year then ended on the basis of accounting described in Note 1.

The accompanying financial information listed as supporting schedules in the Table of Contents is presented for purposes of additional analysis and is not a required part of the General Purpose Financial Statements of Brockway Township. The information has been subjected to the auditing procedures applied in the examination of the General Purpose Financial Statements, in my opinion, is fairly stated in all material respects in relation to the General Purpose Financial Statements taken as a whole.



CERTIFIED PUBLIC ACCOUNTANT

June 7, 2004

**COMBINED STATEMENTS -
OVERVIEW
(GENERAL PURPOSE FINANCIAL STATEMENTS)**

BROCKWAY TOWNSHIP
COMBINED BALANCE SHEET
CASH BASIS
ALL FUND TYPES & ACCOUNT GROUPS
MARCH 31, 2004

ASSETS	GOVERNMENTAL FUND TYPE	FIDUCIARY FUND TYPE AGENCY	ACCOUNT GROUPS			TOTAL (MEMORANDUM ONLY)
			GENERAL LONG TERM DEBT	GENERAL FIXED ASSETS		
Cash - cert. of deposit/money market	\$ 228,472	\$ 199,568	\$ 0	\$ 0	\$	428,040
Due from tax account	199,568	0	0	0		199,568
Property, plant, & equipment	0	0	0	2,573,280		2,573,280
Amount to be provided for retirement of General long term debt	0	0	1,094,000	0		1,094,000
<u>Total Assets</u>	<u>\$ 428,040</u>	<u>\$ 199,568</u>	<u>\$ 1,094,000</u>	<u>\$ 2,573,280</u>	<u>\$</u>	<u>4,294,888</u>
<u>LIABILITIES AND FUND EQUITY</u>						
<u>LIABILITIES</u>						
Due to General Fund	\$ 0	\$ 199,568	\$ 0	\$ 0	\$	199,568
Bond / note payable - fire hall / park	0	0	1,094,000	0		1,094,000
<u>Total Liabilities</u>	<u>0</u>	<u>199,568</u>	<u>1,094,000</u>	<u>0</u>		<u>1,293,568</u>
<u>FUND EQUITY</u>						
Investment in General Fixed Assets	0	0	0	2,573,280		2,573,280
Fund Balances:						
Unreserved - Undesignated	160,130	0	0	0		160,130
Reserved - fire equipment / hall	237,814	0	0	0		237,814
Reserved - park improvements	7,996	0	0	0		7,996
Reserved - performance bonds	22,100	0	0	0		22,100
<u>Total Fund Equity</u>	<u>428,040</u>	<u>0</u>	<u>0</u>	<u>2,573,280</u>		<u>3,001,320</u>
<u>Total Liabilities & Fund Equity</u>	<u>\$ 428,040</u>	<u>\$ 199,568</u>	<u>\$ 1,094,000</u>	<u>\$ 2,573,280</u>	<u>\$</u>	<u>4,294,888</u>

The notes are an integral part of the statements.

**BROCKWAY TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - CASH BASIS
ACTUAL - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED MARCH 31, 2004**

<u>REVENUES</u>	<u>GENERAL FUND</u>
Property taxes	\$ 226,377
State shared revenue	142,264
Investment income - interest	11,458
Licenses, permits & fees	28,264
County park millage	7,239
Loan proceeds	995,000
Rent income	950
Miscellaneous	15,483
<u>Total Revenues</u>	<u>1,427,035</u>
<u>EXPENDITURES</u>	
General government	110,350
Public safety	132,168
Highway, streets, & bridges	89,795
Public services	8,528
Capital outlay - fire hall	903,472
Parks & recreation	30,895
<u>Total Expenditures</u>	<u>1,275,208</u>
<u>EXCESS OF REVENUES OVER (OVER)</u>	
<u>EXPENDITURES</u>	151,827
<u>FUND BALANCES - APRIL 1, 2003</u>	<u>276,213</u>
<u>FUND BALANCES - MARCH 31, 2004</u>	<u>\$ 428,040</u>

The notes are an integral part of the statements.

**BROCKWAY TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - CASH BASIS
ACTUAL - GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2004**

	<u>GENERAL FUND</u>		
<u>REVENUES</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Property taxes	\$ 142,800	\$ 226,377	\$ 83,577
State shared revenue	150,000	142,264	(7,736)
Investment income - interest	6,000	11,458	5,458
Licenses, permits & fees	27,300	28,264	964
County park millage	7,000	7,239	239
Loan proceeds	995,000	995,000	0
Rental income	3,000	950	(2,050)
Miscellaneous	54,800	15,483	(39,317)
<u>Total Revenues</u>	<u>1,385,900</u>	<u>1,427,035</u>	<u>41,135</u>
<u>EXPENDITURES</u>			
General government	116,675	110,350	6,325
Public safety	142,974	132,168	10,806
Highways, streets & bridges	146,000	89,795	56,205
Public services	13,350	8,528	4,822
Capital outlay - fire hall	995,000	903,472	91,528
Parks & recreation	85,500	30,895	54,605
<u>Total Expenditures</u>	<u>1,499,499</u>	<u>1,275,208</u>	<u>224,291</u>
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(113,599)</u>	<u>151,827</u>	<u>265,426</u>
<u>FUND BALANCES - APRIL 1, 2003</u>	<u>170,734</u>	<u>276,213</u>	<u>105,479</u>
<u>FUND BALANCES - MARCH 31, 2004</u>	<u>\$ 57,135</u>	<u>\$ 428,040</u>	<u>\$ 370,905</u>

The notes are an integral part of the statements.

**BROCKWAY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004**

The accounting methods and procedures adopted by the Township of Brockway, St. Clair County, Michigan, conform to generally accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the Townships Comprehensive Annual Financial Report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Township was incorporated under the laws of the State of Michigan and operates as a General Law Township, with a Township Board form of government. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Township (the primary government) and its component units. The component units discussed below are included in the Township reporting entity because of the significance of their operational or financial relationships with the Township.

Component units In accordance with generally accepted accounting principles, there are no component units of Government required to be included in the Financial Reporting Entity either as blended component units or discretely presented component units.

Basis of presentation - fund accounting The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The Township has created several types of funds and a number of discrete funds within each fund type. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures/expenses. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions.

The funds are grouped into fund types and generic funds as described below:

Governmental fund types These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

General fund: This fund is established to account for resources devoted to financing the general services that the Township performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the Township are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

Fiduciary fund types These funds account for assets held by the Township as a trustee or agent for individuals, private organization, and other units of governments. These funds are as follows:

Expendable Trust and Agency Funds: These funds, used to account for assets held in trust of as an agent for others, include the Tax (property) Collection Fund.

Account groups In addition to the broad types of governmental funds, the Township also maintains one account group as described below:

General Fixed Assets Account Group: This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes.

General Long-Term Debt Account Group: This account group is established to account for the Township's long-term debt that will be financed from general governmental resources.

Basis of accounting Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the

**BROCKWAY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004**

timing of the measurement made, regardless of the measurement focus applied. The Township utilized the cash basis of accounting for all funds.

Budgetary data The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to April 1, the Township Clerk submits to the Township Board a proposed operating budget for the fiscal year commencing April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior April 1, the budget is legally enacted.
4. The budget is used by the Township Board as a management tool during the year for all budgetary funds. The budgets are adopted on a cash basis which is not consistent with generally accepted accounting principles. Budgetary control is exercised at the departmental level.
5. Budget amounts are as originally adopted, or as amended by the Township Board. Individual amendments were not material in relation to the original appropriations which were amended.

Cash The Township does not pool cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Township's investments.

Investments Debt securities are valued at cost since it is generally the policy of the Township to hold such investments until they mature.

Due to and due from other funds Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Other assets Other assets held are recorded and accounted for at cost.

Property, plant, and equipment Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as roads, sidewalks, and bridges, are not capitalized. Property, plant, and equipment acquired or constructed for general governmental operations are recorded as expenditures in the fund making the expenditure and capitalized at cost in the General Fixed Assets Account Group.

Property, plant, and equipment is stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

Long-term debt Long-term obligations of the Township are reported in the General Long-Term Debt Account Group.

Fund equity The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes. Unreserved retained earnings for proprietary funds represent the net assets available for future operations or distribution. Reserved retained earnings for proprietary funds represent the net assets that have been legally identified for specific purposes.

Revenues and expenditures/expenses Generally, Revenues for governmental funds, tax revenues, fees, and nontax revenues are recognized when received. Grants from other governments are recorded when qualifying expenditures are paid. Expenditures for governmental funds are recorded when paid.

**BROCKWAY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004**

Property tax revenues Property taxes are levied on December 1 based on the assessed value of property as listed on the previous December 31. Assessed values are an approximation of market value. A revaluation of all real property must be made every year.

Property taxes are recognized as revenue when they are collected.

Vacation, sick leave, and other compensated absences The Township does not have any contracts or agreements with its employees or elected officials which require the payment of compensation during absence from duty nor do any such benefits vest to the right of the employee or elected official.

Total columns The Combined Financial Statements include total columns that are described as memoranda only. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Interfund transactions have not been eliminated from the total column of each financial statement.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Michigan Compiled Laws, Section 129.91, authorizes the Local Unit to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

3. CASH AND INVESTMENTS

The Governmental Accounting Standards Board Statement No. 3, risk disclosures for the Local Unit's cash deposits are as follows:

	<u>CARRYING AMOUNT</u>	<u>BANK BALANCES</u>
Insured (FDIC)	\$ 428,040	\$ 428,040
Uninsured and Uncollateralized	<u>0</u>	<u>0</u>
Total Deposits	<u>\$ 428,040</u>	<u>\$ 428,040</u>

All cash and investments of the Township are in F.D.I.C. and F.S.L.I.C. insured institutions and are held by the Township in the Township's name.

**BROCKWAY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004**

The GASB Statement 3 risk disclosures for the Local Unit's investments are as follows:

<u>Investment Type</u>	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Risk Categorized					
Operating Funds					
US Treasury Fund	0			0	0
Total Risk-Categorized					
Investments	<u>0</u>			<u>0</u>	<u>0</u>

The cash and investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

Category 1	Insured or registered, or securities held by the Township or its agent in the Township's name.
Category 2	Uninsured and unregistered, with securities held by the counterparty's trust department or agent
	in the Township's name.
Category 3	Uninsured and unregistered, with securities held by the counterparty, or by its trust department
	or agent but not in the Township's name.

4. PROPERTY TAXES

The Township is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation. Property taxes become a lien on the first day of December of the levy year and may be paid by the following February 14.

Property taxes are not recognized in compliance with NCGAI-3 which states that such revenue is recorded when it becomes measurable and available. Property taxes are recorded as revenue when collected.

The Township levied the following taxes:

General Government Services	<u>.8659</u> mills
Township Roads	<u>1.4210</u> mills
Township Fire Equipment / Hall	<u>1.9630</u> mills

5. DUE TO/FROM OTHER FUNDS

As of March 31, 2004, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund	\$ 199,568	\$ 0
Tax Collection Fund	<u>0</u>	<u>199,568</u>
Total Deposits	<u>\$ 199,568</u>	<u>\$ 199,568</u>

**BROCKWAY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004**

6. PROPERTY, PLANT, AND EQUIPMENT

Activity for general fixed assets that are capitalized by the Township is summarized below:

	<u>BALANCE</u> <u>April 1, 2003</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>March 31, 2004</u>
Township land	\$ 7,200	\$ 0	\$ 0	\$ 7,200
Township hall	110,486	0	0	110,486
Park land / Dev.	693,109	21,220	0	714,329
Fire hall	83,570	903,473	0	987,043
Fire equipment	101,515	0	0	101,515
Office furn. & equip.	24,071	0	0	24,071
Computer equip. / Software	6,989	0	0	6,989
Fire trucks	537,973	83,674	0	621,647
Total	<u>\$ 1,564,913</u>	<u>\$ 1,008,367</u>	<u>\$ 0</u>	<u>\$ 2,573,280</u>

7. DEFICIT FUND BALANCE OR RETAINED EARNINGS BALANCES OF INDIVIDUAL FUNDS

None

8. COMPARATIVE DATA

Comparative total data for the prior year has not been presented.

9. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

P.A. 621 of 1978, section 18 (1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township actual expenditures and budgeted expenditures for the budgetary funds have been shown on an activity basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

During the year ended 3/31/04, the Township incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

	<u>TOTAL</u> <u>APPROPRIATIONS</u>	<u>AMOUNT OF</u> <u>EXPENDITURES</u>	<u>BUDGET</u> <u>VARIANCE</u>
Insurance	\$ 10,000	\$ 12,590	\$ 2,590
Professional services	8,000	12,720	4,720
Publishing / Data processing	3,700	4,508	808
Election	0	256	256

10. POST EMPLOYMENT BENEFITS

The Township does not provide any post employment benefits.

**BROCKWAY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004**

11. RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical and workman's compensation benefits provided to employees. The Township has purchased commercial insurance for the various risks of loss stated above.

Settled claims for the commercial insurance have not exceeded the amount of coverage in any of the past three years. There was no reduction in coverage's obtained through commercial insurance during the past year.

12. PENSION PLAN

The Township provides pension benefits to all of its employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan is administered by Public Employees Benefit Services Corporation and funding is through a group flexible fund retirement contract (participating) with the Nationwide Life Insurance Company. Employees are 100% vested upon contribution, the Township contributes 7.5 percent of employees' gross earnings and employees voluntarily contribute up to 20 percent of earnings. In accordance with these requirements, the Township contributed \$4,300 during the current year, and employees contributed \$5,100.

13. CHANGES IN LONG TERM DEBT

The following is a summary of Long-term debt transactions of the Township for the year ended March 31, 2004.

	<u>GENERAL OBLIGATION</u>
Bond and note payable April 1, 2003	\$ 99,000
Principal advance	<u>995,000</u>
Bond and note payable March 31, 2004	<u><u>\$ 1,094,000</u></u>

Bond and note payable at March 31, 2004, are comprised of the following issues:

General Obligation bond and note payable:

\$99,000 Note Payable – Brockway Township Park Enhancement due in one installment of \$99,000 on January 5, 2005 plus interest at 4.5%	\$ 99,000
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\$995,000 Capital Improvement Bonds, Series 2003; Dated June 12, 2003 due in installments of \$80,000 to \$120,000 through May 1, 2013, interest at 3.70 percent.	<u>\$ 995,000</u>
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<u>TOTAL BOND AND NOTE PAYABLE</u>	<u>\$1,094,000</u>
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**BROCKWAY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004**

13. CHANGES IN LONG TERM DEBT (Continued)

The annual requirements to amortize all General Obligation Note and Bonds outstanding as of March 31, 2004 including interest payments are as follows:

<u>YEAR ENDING MARCH, 31</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2005	\$ 179,000	\$ 39,790
2006	85,000	32,283
2007	90,000	29,045
2008	95,000	25,622
2009	95,000	22,107
2010-2013	550,000	52,722
	<u>\$ 1,094,000</u>	<u>\$ 201,569</u>

Capital Improvement Bonds, Series 2003

Dated June 12, 2003
Original Issue \$995,000

<u>INTEREST RATE</u>	<u>DATE OF MATURITY</u>	<u>PRINCIPAL OUTSTANDING June 30, 2004</u>	<u>REMAINING ANNUAL INTEREST PAYABLE</u>
3.70%	5/1/04	\$ 80,000	\$ 35,335
3.70%	5/1/05	85,000	32,283
3.70%	5/1/06	90,000	29,045
3.70%	5/1/07	95,000	25,622
3.70%	5/1/08	95,000	22,107
3.70%	5/1/09	100,000	18,499
3.70%	5/1/10	105,000	14,707
3.70%	5/1/11	110,000	10,729
3.70%	5/1/12	115,000	6,567
3.70%	5/1/13	120,000	2,220
		<u>\$ 995,000</u>	<u>\$ 197,114</u>

SUPPORTING SCHEDULES

**BROCKWAY TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - CASH BASIS
ACTUAL COMPARED TO BUDGET - GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2004**

	<u>GENERAL FUND</u>		
	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>			
<u>TAXES</u>			
Property taxes - operating	\$ 52,000	\$ 55,929	\$ 3,929
Property taxes - chloride	65,000	69,506	4,506
Property taxes - fire equipment / hall	11,000	85,128	74,128
Property tax - admin. fee	14,800	15,814	1,014
<u>Total Taxes</u>	142,800	226,377	83,577
<u>STATE SHARED REVENUES</u>	150,000	142,264	(7,736)
<u>FIRE STAND BY FEES</u>	8,000	7,500	(500)
<u>INTEREST EARNINGS</u>	6,000	11,458	5,458
<u>MISCELLANEOUS REVENUES</u>			
Reimbursements - ZBA hearing	1,000	1,000	0
Reimbursement - county park millage	7,000	7,239	239
Rental - township hall	3,000	950	(2,050)
Building permits & performance bonds (ne	27,300	28,264	964
Bond proceeds - fire hall	995,000	995,000	0
Refunds and miscellaneous	45,800	6,983	(38,817)
<u>TOTAL REVENUES</u>	\$ 1,385,900	\$ 1,427,035	\$ 41,135

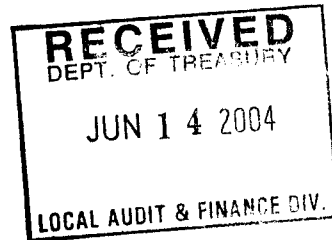
**BROCKWAY TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - CASH BASIS
ACTUAL COMPARED TO BUDGET - GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2004**

<u>EXPENDITURES</u>	<u>GENERAL FUND</u>		
	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>TOWNSHIP BOARD SALARIES</u>			
Supervisor	\$ 10,000	\$ 10,000	\$ 0
Clerk	9,500	9,500	0
Treasurer	11,500	11,500	0
Township Board	4,000	3,200	800
<u>Total Township Board Salaries</u>	35,000	34,200	800
<u>OTHER EXPENDITURES</u>			
Office supplies / wages	12,725	10,535	2,190
Township hall and grounds	19,650	15,366	4,284
Township dues	1,700	1,093	607
Insurance	10,000	12,590	(2,590)
Board of review	1,600	90	1,510
Professional services	8,000	12,720	(4,720)
Publishing/data processing	3,700	4,508	(808)
Assessor & expense	11,300	11,188	112
Election	0	256	(256)
Cemetery	2,000	1,000	1,000
Payroll taxes/fringe benefits	11,000	6,804	4,196
<u>Total General Government</u>	116,675	110,350	6,325
Inspection fees and expenses	24,800	21,036	3,764
Street lights	2,000	1,594	406
Fire protection	116,174	109,538	6,636
Capital outlay - fire hall	995,000	903,472	91,528
Roads - general maint. & chloride	146,000	89,795	56,205
Zoning / planning comm.	13,350	8,528	4,822
Recreation / park maint. / improvements	85,500	30,895	54,605
<u>Total Expenditures</u>	1,499,499	1,275,208	224,291
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	(113,599)	151,827	265,426
<u>FUND BALANCES - APRIL 1, 2003</u>	170,734	276,213	105,479
<u>FUND BALANCES - MARCH 31, 2004</u>	\$ 57,135	\$ 428,040	\$ 370,905

JOHN J. LEHOTAN, C.P.A.

4385 W. Main Street
P.O. BOX 450
Brown City, MI 48416

Telephone (810) 346-3569
Fax (810) 346-8131



June 7, 2004

**Members of the Township Board
Brockway Township
St. Clair County, Michigan**

Gentlemen:

In accordance with your request, I have made an examination of the financial statements of Brockway Township for the fiscal year ended March 31, 2004.

From an overall viewpoint, the books and records maintained by the Township Clerk and Treasurer are in good order. I thank Township officials for the cooperation I received in the completion of this examination. Should you have any questions in connection with the above, please contact me at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to be "John J. Lehotan".

John J. Lehotan
Certified Public Accountant